



STATE OF WASHINGTON

PUBLIC DISCLOSURE COMMISSION

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March 24, 2006

HANS DUNSHEE
506 10TH STREET
SNOHOMISH WA 98290

Subject: Complaint Filed Against Michael Hope - PDC Case No. 05-101

Dear Mr. Dunshee:

The Public Disclosure Commission (PDC) staff has completed its investigation of your complaint received October 15, 2004, alleging that the 2004 Michael Hope Campaign for State Representative in the 44th Legislative District accepted \$3,375 in contributions for the 2004 primary election after the date of the primary. You also alleged that the Hope campaign accepted contributions from affiliated entities that, when combined, exceeded the 2004 primary and general election contribution limits. I apologize for the length of time it has taken to complete this investigation. The length of the investigation was due in part to the number of individuals and entities involved in making the alleged over-limit contributions.

Your complaint was reviewed in light of the following statute and administrative rule:

RCW 42.17.640 states that contributions made with respect to a primary may not be made after the date of the primary. It also defines contribution limits for a candidate for State Representative. For the 2004 election cycle, those limits were \$675 for the primary election and \$675 for the general election. Subsection (13) also states that no person may accept contributions that exceed the contribution limitations of this section.

WAC 390-16-309 defines when two or more entities share a contribution limit under RCW 42.17.640. The rule states in part: (1) Two or more entities are treated as a single person and share one contribution limit under RCW 42.17.640 if one of the entities is:
(a) A corporation and the other is a subsidiary, branch or division of the corporation; ...

(3) In addition to paragraph (1)(a) above, two or more entities shall be treated as one entity and share a contribution limit under RCW 42.17.640 if one of the entities is established, financed, maintained or controlled by the other, as evidenced by any one of the following factors:

(a) Whether one entity owns a controlling interest in the voting stock or securities of another entity; or



(b) Whether one entity has authority or the ability to direct or participate, other than through a vote as a member, in the governance of another entity through provisions of constitution, bylaws, contract or other formal or informal procedure or has authority or the ability to hire, appoint, demote or otherwise control, other than through a vote as a member, the officers or other decision making employees or members of another entity; or

(c) whether (i) one entity has a common or overlapping membership with another which indicates either a formal or ongoing relationship between the two organizations or the creation of a successor entity and (ii) the entity has an active or significant role in the formation of the other entity and (iii) the entities have similar patterns of contributions or contributors which indicate a formal or ongoing relationship between the entities; or

(d) Whether one entity provides, causes or arranges, funds, services or goods in a significant amount or on an ongoing basis, through direct or indirect means to the other entity, for less than full consideration. Full consideration includes the payment of membership dues.

You alleged that the Michael Hope Campaign received six contributions totaling \$3,375 for the primary election that, based on the "date received" shown for each contribution on the September 27, 2004 C-3 report, were received after the September 14, 2004 primary election. We found:

- On September 27, 2004 a C-3 report was filed that included six contributions for the primary election. The "date received" showed September 21, 2004 for one contribution of \$500 and September 23, 2004 for five contributions totaling \$2,875.
- On October 5, 2004, an amended C-3 report was filed showing that the five contributions originally shown as received on September 23, 2004 were actually received on September 11, 2004, three days before the primary election. These five contributions were collected at a social gathering on September 11, 2004 by James Donner, the campaign director. In addition, the sixth contribution was sent on September 9 and received by the campaign on September 11, 2004. The campaign has also corrected the date received for the sixth contribution.

You alleged that the Michael Hope Campaign accepted contributions from several entities that were affiliated, and that the contributions of these entities, when combined, were in excess of the allowable contribution limit of \$675 for the 2004 primary election and \$675 for the 2004 general election. You also noted that several individuals in the Robinett family were donors to the Hope campaign and owners of the entities named in your complaint. We found:

- On January 27, 2004, Michael Hope filed a Candidate Registration Statement declaring his candidacy for State Representative in the 44th Legislative District.
- The Robinett family develops land into housing developments. On the advice of Martin Robinett, a family member who is an attorney, most of the development projects are placed in a separate limited liability company (LLC) or limited

partnership (LP) to protect the assets of each entity from a possible large judgment against any of the other entities.

- The Michael Hope Campaign received 17 contributions totaling \$10,000 from nine entities, each with a relationship to a member of the Robinett family. The campaign received 10 contributions for the primary election totaling \$5,875 and seven contributions totaling \$4,125 for the general election.¹
- The nine entities referenced above share three addresses for their business headquarters.² Each business pays its share of the cost of maintaining a headquarters office. At least one Robinett family member is involved in each entity.³

The entities that made contributions to the 2004 Mike Hope campaign are not affiliated for contribution limit purposes under WAC 390-16-309 because none of the entities is a subsidiary, branch or division of any of the other entities. Nor does it appear that any of the remaining circumstances set out in WAC 390-16-309 is satisfied because:

- None of the entities owns a controlling interest in the voting stock or securities of any of the other entities.
- None of the entities has authority or the ability to direct or participate in the governance of any of the other entities through provisions of constitution, bylaws, contract or other formal or informal procedure or has authority or the ability to hire, appoint, demote or otherwise control the officers or other decision making employees or members of any of the other entities.
- None of the entities are membership organizations. Thus, none of the entities share a common or overlapping membership with any of the other entities which would indicate either a formal or ongoing relationship or the creation of a successor entity.
- None of the entities provides, causes or arranges, funds, services or goods in a significant amount or on an ongoing basis, through direct or indirect means to any of the other entities, for less than full consideration.

In addition to the contributions made by the entities referenced above, Henry and Donna Robinett also made donations to the 2004 Hope campaign. However, contributions made by individuals are not combined, for the purpose of contribution limits, with entities in

¹ The "Robinett Group" consists of: J & D Builders, Inc., West Coast, Inc., Land Pros, LLC, Dubuque Ridge Estates, LLC, Robinett Investment Co., LLC, Robinett Homes, LLC, Robinett Development Co. LLC, Real Estate Investment Co., LLC, and Boyden, Robinett & Associates, LP.

² 3601 Colby Avenue, Everett, WA; 1429 Broadway, Everett, WA; and 1831 Colby Avenue, Everett, WA.

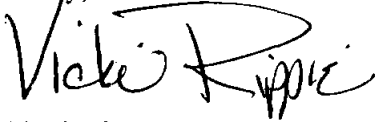
³ Henry and Donna Robinett are the mother and father of David and Martin Robinett. John Robinett is a cousin of David and Martin Robinett. John Robinett's wife is Kathleen Robinett. Richard and Judith Boyden are husband and wife and are partners with Henry and Donna Robinett. Gary Ball is a business partner with John Robinett. All family members have an ownership interest in at least one of the entities. Gary Ball also has an ownership interest in one of the entities.

which the individuals hold an ownership interest. Because none of the nine entities referenced in your complaint are affiliated for contribution limit purposes, the 2004 Mike Hope campaign did not accept over-limit contributions.

After a careful review of the alleged violations and relevant facts, we have concluded our investigation and, with the concurrence of the Chair of the Public Disclosure Commission, I am dismissing your complaint against the 2004 Michael Hope Campaign.

If you have questions, please contact Phil Stutzman, Director of Compliance, at (360) 664-8853, toll free at 1-877-601-2828 or by email at pstutzman@pdc.wa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Vicki Rippie". The signature is fluid and cursive, with a large loop at the end of the last name.

Vicki Rippie
Executive Director

c: Martin Robinett